



## Proposed Agency Information Collection Activities; Comment Request

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Notice, request for comment.

**SUMMARY:** The Board of Governors of the Federal Reserve System (Board) invites comment on a proposal to extend for three years, without revision, the Selected Balance Sheet Items for Discount Window Borrowers (FR 2046, OMB No. 7100-0289).

**DATES:** Comments must be submitted on or before [INSERT DATE 60 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER].

**ADDRESSES:** You may submit comments, identified by FR 2046, by any of the following methods:

- Agency Website: <https://www.federalreserve.gov/>. Follow the instructions for submitting comments at <https://www.federalreserve.gov/apps/foia/proposedregs.aspx>.
- E-mail: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov). Include the OMB number or FR number in the subject line of the message.
- FAX: (202) 452-3819 or (202) 452-3102.
- Mail: Federal Reserve Board of Governors, Attn: Ann E. Misback, Secretary of the Board, Mailstop M-4775, 2001 C St NW, Washington, DC 20551.

All public comments are available from the Board's website at <https://www.federalreserve.gov/apps/foia/proposedregs.aspx> as submitted, unless modified for technical reasons or to remove personally identifiable information at the commenter's request. Accordingly, comments will not be edited to remove any confidential business information, identifying information, or contact information. Public comments may also be viewed electronically or in paper in Room M-4365A, 2001 C St NW, Washington, DC 20551, between 9:00 a.m. and 5:00 p.m. on weekdays. For security reasons, the Board requires that visitors make an appointment to inspect comments. You may do so by calling (202) 452-3684. Upon arrival,

visitors will be required to present valid government-issued photo identification and to submit to security screening in order to inspect and photocopy comments.

Additionally, commenters may send a copy of their comments to the Office of Management and Budget (OMB) Desk Officer for the Federal Reserve Board, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17<sup>th</sup> Street, NW, Washington, DC 20503, or by fax to (202) 395-6974.

**FOR FURTHER INFORMATION CONTACT:** Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, nuha.elmaghrabi@frb.gov, (202) 452-3884.

**SUPPLEMENTARY INFORMATION:** On June 15, 1984, OMB delegated to the Board authority under the Paperwork Reduction Act (PRA) to approve and assign OMB control numbers to collections of information conducted or sponsored by the Board. In exercising this delegated authority, the Board is directed to take every reasonable step to solicit comment. In determining whether to approve a collection of information, the Board will consider all comments received from the public and other agencies.

During the comment period for this proposal, a copy of the proposed PRA OMB submission, including the draft reporting form and instructions, supporting statement, and other documentation, will be made available on the Board's public website at <https://www.federalreserve.gov/apps/reportforms/review.aspx> or may be requested from the agency clearance officer, whose name appears above. Final versions of these documents will be made available at <https://www.reginfo.gov/public/do/PRAMain>, if approved.

### **Request for Comment on Information Collection Proposal**

The Board invites public comment on the following information collection, which is being reviewed under authority delegated by the OMB under the PRA. Comments are invited on the following:

- a. Whether the proposed collection of information is necessary for the proper performance of the Board's functions, including whether the information has practical utility;
- b. The accuracy of the Board's estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used;
- c. Ways to enhance the quality, utility, and clarity of the information to be collected;
- d. Ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology; and
- e. Estimates of capital or startup costs and costs of operation, maintenance, and purchase of services to provide information.

At the end of the comment period, the comments and recommendations received will be analyzed to determine the extent to which the Board should modify the proposal.

**Proposal under OMB Delegated Authority to Extend for Three Years, Without Revision, the Following Information Collection**

*Collection title:* Selected Balance Sheet Items for Discount Window Borrowers.

*Collection identifier:* FR 2046.

*OMB control number:* 7100-0289.

*Frequency:* On occasion.

*Respondents:* Depository institutions.

*Estimated number of respondents:* Primary and Secondary Credit, 1; Seasonal Credit, 32; Seasonal Credit, borrower in questionable financial condition, 1.

*Estimated average hours per response:* Primary and Secondary Credit, 0.75; Seasonal Credit, 0.25; Seasonal Credit, borrower in questionable financial condition, 0.75.

*Estimated annual burden hours:* Primary and Secondary Credit, 1; Seasonal Credit, 88; Seasonal Credit, borrower in questionable financial condition, 1.

*General description of collection:* The Board's Regulation A - Extensions of Credit by Federal Reserve Banks (12 CFR Part 201) requires that Reserve Banks review balance sheet data in

determining whether to extend credit and to help ascertain whether undue use is made of such credit. Balance sheet data are collected on the FR 2046 report from certain institutions that borrow from the discount window in order to monitor discount window borrowing.

*Legal authorization and confidentiality:* The FR 2046 report is authorized pursuant to sections 4(8),<sup>1</sup> 10B,<sup>2</sup> and 19(b)(7)<sup>3</sup> of the Federal Reserve Act (FRA), which authorize Federal Reserve Banks to provide discounts or advances to a member bank or other depository institution and to demand notes secured to the satisfaction of each Reserve Bank, and authorize the Board to establish rules and regulations under which a Reserve Bank may extend such credit.<sup>4</sup>

Specifically, section 4(8) of the FRA requires each Reserve Bank to keep itself informed of the general character and amount of the loans and investments of a depository institution “with a view to ascertaining whether undue use is being made of bank credit,” and instructs that, “in determining whether to grant or refuse advances, rediscounts, or other credit accommodations, the Federal [R]eserve [B]ank shall give consideration to such information.” Section 10B of the FRA permits Federal Reserve Banks to make advances to member banks “under rules and regulations prescribed by the Board.” Section 19(b)(7) of the FRA provides that any depository institution that holds reservable deposits is entitled to the same discount and borrowing privileges as member banks.

In addition, section 9(6)<sup>5</sup> of the FRA, which requires state member banks to file reports of condition and of the payment of dividends with the Federal Reserve, provides authority to collect balance sheet information from state member banks. Sections 2A<sup>6</sup> and 11<sup>7</sup> of the FRA,

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<sup>1</sup> 12 U.S.C. 301.

<sup>2</sup> 12 U.S.C. 347b.

<sup>3</sup> 12 U.S.C. 461(b)(7).

<sup>4</sup> Section 142 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (Pub. L. 102-242, Title I, Subtitle E, 142 (Dec. 19, 1991)), amended section 10B of the FRA (12 U.S.C. 347b(b)) to discourage Reserve Banks from making advances to undercapitalized and critically undercapitalized depository institutions by imposing liability on the Board for certain losses incurred by the funds administered by the Federal Deposit Insurance Corporation. *See* 58 FR 45851 (Aug. 31, 1993).

<sup>5</sup> 12 U.S.C. 324.

<sup>6</sup> 12 U.S.C. 225a.

<sup>7</sup> 12 U.S.C. and 248(a)(2) and (i).

respectively, as well as section 7(c)(2) of the International Banking Act,<sup>8</sup> authorize the Board to collect balance sheet data from domestically chartered commercial banks and U.S. branches and agencies of foreign banks.

If requested by the lending Reserve Bank, a depository institution that borrowed from the discount window must submit the FR 2046 report. Accordingly, the obligation to respond is mandatory.

The Federal Reserve publishes aggregate data on discount window lending, which does not identify individual borrowers. In addition, the Dodd-Frank Wall Street Reform and Consumer Protection Act requires the Board to publish certain information on individual discount window borrowers and transactions (i.e., the identity of the borrower, the amount that was borrowed, the interest rate, and the types and amounts of collateral or assets pledged) after an approximately two year lag.<sup>9</sup> The FR 2046 report is considered confidential until the fact that the institution borrowed from the discount window is disclosed. Until this point, the fact that this report was filed would constitute nonpublic commercial or financial information, which is both customarily and actually treated as private by the respondent, because it would reveal the fact of discount window borrowing, as only borrowers are required to file this form. Thus, this information is kept confidential under exemption 4 of the Freedom of Information Act (FOIA), which protects from disclosure trade secrets and privileged or confidential commercial or financial information.<sup>10</sup> Once the fact that an institution borrowed from the discount window is disclosed, the FR 2046 report is no longer considered confidential in the event a FOIA request is received.

Board of Governors of the Federal Reserve System, October 7, 2022.

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<sup>8</sup> 12 U.S.C. 3105(c)(2)).

<sup>9</sup> 12 U.S.C. 248(s).

<sup>10</sup> 5 U.S.C. 552(b)(4).

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